far-reaching reform of social insurance has been on the program of the new Czech Government ever since the liberation of the Republic. In actual fact, however, it was the URO (central committee of trade-unions) which took first action along these lines by assembling the foremost social insurance experts of the country to prepare the first draft of a new social insurance law. This first draft provides for organization of social insurance on a new basis and also embodies certain other new basic principles. The very name of the measure—National Insurance Law—is indicative of the comprehensive nature of the legislation under consideration. Under the proposed measure, a single insurance institute for all branches of social insurance for the whole country would be established in Prague. This institute would have regional offices which would supervise the local branches for the individual districts and also adjudicate the benefits of accident and pension insurance. The national office as well as the regional and local offices would have elective governing bodies. Compulsory insurance would be extended to all workers, employees, and self-employed persons, including employers, without any limitation on size of firm. As a matter of fact, nationalization of all larger enterprises in Czechoslovakia has left no employers of large numbers of workers. No ratio of representation as between workers and employers was fixed in the proposed law. In view of the fact that wages and prices were to be fixed by the Government, the practice of splitting up contributions would be dropped, and all contributions would be paid by the employers as a part of the cost of production.

It is clear that the complete reorganization of social insurance is too large a task to be undertaken under present unstable economic conditions. Attempts are being made, therefore, to carry out partial measures, among them two upon which the interest of experts now is being focused. It was mentioned above that policies relating to wages and prices, which directly affect social insurance benefits, were different in the Czech and Slovakian parts of the country during the occupation and subsequently. A law equalizing these benefits is now being prepared. The second project is the unification of the laws pertaining to each particular insurance program, so as to make it possible to incorporate these unified programs into a comprehensive integrated insurance system to be developed at some later date. Drafts have been drawn of the law for unification of health insurance (eliminating mainly the differences between wage workers and salaried employees), and provisions setting up a unified program of miners' insurance have been enacted.

The Outlook for Social Insurance Reform

The need for a broad reform of the Czechoslovakian social insurance system which will bring about unification and extension of coverage is recognized, but it is believed that the reform can be successfully carried out only after a revival of business activity and under stabilized economic conditions. On October 28, 1946, the Government adopted a 2-year plan for rehabilitation of the country's economy. Under this plan, production will be increased to a level which will make it possible to supply the population with substantially all necessary consumer goods, either through domestic production or through international trade. With supplies of consumer goods restored to normal, there is reasonable expectation that the Nation's industry and trade can be brought back from their present low level of productivity to the prewar rate of activity. Achievement of this recovery, it is believed, will then permit the Government to proceed with the proposed revision of the country's social security system.

Social Security in Colombia, Costa Rica, the Dominican Republic, Guatemala, and Haiti

By Carl H. Farman*

SOCIAL INSURANCE moved forward in the Western Hemisphere through the passage of three entirely new national laws during the 6 months from October 1946 to March 1947. Guatemala enacted a measure on October 30, 1946, which provides for the gradual introduction of a comprehensive social security program to operate throughout the Republic. Colombia, by an act of December 26, 1946, made a similar provision. On March 17, 1947, the Dominican Republic adopted and put into immediate effect—as to registration and employer contributions—a law establishing old-age, invalidity, sickness, and maternity insurance. The sickness and maternity benefits will be available, and employee contributions will become payable, 6 to 9 months from the date of enactment.

In addition, Costa Rica, after 5 years of experience with its health and maternity insurance programs, adopted a regulation in December which added an entirely new system of old-age, invalidity, and survivor insurance.

Haiti's Congress is now considering a bill for compulsory health, maternity, and work accident insurance. The bill would cover virtually all employed persons, including Government workers, rural workers, and domestic employees, as well as persons in industry and commerce. The measure provides, however, for a gradual introduction of the system. Either branch of the program could be put into effect independently of the other; the groups to be covered initially would be determined according to facilities for registration, ease of collecting contributions, and prospects for providing benefits. An autonomous Social Insurance Institute (Institut d'Assurances Sociales d'Haiti—IDASH) will be formed if the bill is adopted, and the law of 1943

*Bureau of Research and Statistics, Division of Coordination Studies. The material in this report is based principally on the sources cited in the text and table and on reports from J. Ramon Solana, United States Embassy, San José, Costa Rica; Rollo P. Stovall, United States Embassy, Ciudad Trujillo, Dominican Republic; and Howard H. Bristol, Jr., United States Embassy, Port-au-Prince, Haiti.

establishing the Haitian Social Insurance Fund would be repealed. Existing assets would be divided equally among the proposed new Institute, the Department of Public Assistance, and the Department of Labor. The 1943 law provided for benefits in case of work accidents and for certain measures of assistance in housing aged workers and promoting agricultural welfare.

El Salvador is also moving toward the establishment of a general social insurance program. A special committee submitted a draft bill to the Minister of Labor on May 22, 1947. The measure contemplates broad coverage for all the principal risks—including old age, invalidity, and survivorship—but would begin with health and maternity insurance for employed persons and their families in urban areas. An unusual aspect is its provision for family allowances within the structure of social security. A Salvadoran Social Insurance Institute would be created and endowed with broad powers to initiate and expand the system, fix rates of benefit and of contributions, and determine the qualifying conditions governing receipt of benefit.

Part of the draft of a Cuban labor law—long the subject of official study—has been released. It contains provisions for a general social security system, including unemployment insurance.

Among the significant aspects of the new measures is the broad scope of their coverage. Virtually all employed persons, including those in agriculture and domestic service, will be insured when the programs are in full operation. Colombia will also cover independent workers whose incomes are below a certain limit. Haiti plans to insure government workers. The Dominican Republic and Colombia, on the other hand, exempt government employees already protected by existing programs, and it is likely that Guatemala will do the same.

The Costa Rican program for old-age, invalidity, and survivors insurance is more restricted in scope, as will appear below. It is essentially a salaried employees' program so far as commerce and related fields are concerned. Government wage earners, however, as well as salaried employees not otherwise protected by special retirement programs, are included.

In the matter of immediate coverage under the new general system, the Dominican Republic is proceeding most energetically. All employers—excepting only persons hiring domestic servants in private homes—were required to register within 60 days of the promulgation of the law. Any exemptions were then to be determined by the public authorities.

The other countries contemplate a more gradual expansion of the programs. The Colombian and Guatemalan laws and the Haitian bill all anticipate a selection both among the risks first to be covered and among the geographical areas where operations will be undertaken. It appears that Haiti and Guatemala may begin their compulsory insurance programs for employment injuries in the near future, while the Colombian law gives priority to sickness and maternity insurance. Starting with a minimum coverage of 75,000 persons in 1948 the Guatemalan plan calls for an expansion to 500,000 in 1953. The projected development takes into account such factors as literacy, population density, and facility of communications. Full coverage for all risks would be achieved by 1957. The respective forms of insurance are to be introduced in the following order: (1) insurance for employment injuries and nonoccupational accidents; (2) maternity and hospital benefits; (3) widows' and orphans' pensions; (4) general sickness insurance; (5) old-age and invalidity pensions. Operation of the program dealing with nonoccupational accidents, maternity care, and hospitalization is expected to provide essential experience for undertaking a full-fledged system of health insurance.

In addition to wide coverage, to be achieved in most of the countries by gradual planned expansion of groups and services, the incorporation within the general social insurance program of insurance against work accidents and industrial diseases is significant. This has been done in Colombia and Guatemala and is proposed in the Haitian bill. The Dominican Republic and Costa Rica will retain their present systems for industrial injury benefits. Both these countries already have a well-developed program of long standing, administered by a single insuring body, which in Costa Rica is a Government agency.

All the countries provide for health and maternity insurance, with both medical and cash benefits. Costa Rica has had such a program in operation since 1941; in the other countries it will be a new service. The medical benefits commonly specified are general, surgical, pharmaceutical, and hospital services. The Haitian proposal would make these benefits available for 13 weeks to dependents of the insured worker, and family benefits are also available in Costa Rica. In Guatemala, care for the insured's family is permissive under the law but not as yet required. The Dominican Republic and Colombia provide medical services to the insured worker only, except in the case of maternity care.

Maternity care for the wife of the insured husband is permissive in Guatemala and obligatory in Colombia and the Dominican Republic. The Haitian bill is not specific. Costa Rica limits maternity care to the insured woman. Provision of cash maternity benefits for the insured woman is an essential part of all the measures.

Benefits under old-age, invalidity, and survivors insurance show considerable variation. No such program is contemplated in the Haitian bill, and the Dominican Republic undertakes to provide old-age and invalidity pensions only, with a lump-sum benefit to survivors. The Costa Rican program, providing all three types of benefit after due qualifying periods, was scheduled to begin collecting contributions this year. In Guatemala, on the other hand, no starting date has been fixed, and under present plans this country will establish widows' and orphans' benefits in advance of old-age and invalidity pensions. The date on which Colombia will set up its retirement and survivor programs has not yet been announced.

Colombia

The first Colombian act to provide social insurance for workers in industry and commerce was Law No. 90 of December 26, 1946, on compulsory social insurance. The contribution and benefit provisions are not yet in operation, but regulations putting the system into effect in some areas of the country are expected to be issued shortly. The law provides for sickness and maternity insurance (to which priority will be given); invalidity, old-age, and survivors insurance; and insurance against employment injuries, which is made an integral part of the social insurance program.

Scope.—Coverage under the law is broad, including all persons—nationals and foreigners—working under a contract of service. This coverage extends to apprentices, home workers, and domestic servants, as well as to many groups of public workers, whether employed by the national, departmental, or municipal governments. Persons protected under existing retirement programs, including those under the Provident Fund for National Salaried Employees and Manual Workers, will continue under their own systems. Independent workers (small farmers, shopkeepers, bootblacks, itinerant vendors, and others) making not more than 1,800 pesos [1] a year are also to be compulsorily insured. Temporary agricultural workers and occasional workers (those employed less than 90 days a year) are excluded.

Administration.—The law provides for establishment of a Colombian Social Insurance Institute (Instituto Colombiano de Seguros Sociales), with headquarters at Bogotá, and for Sectional Social Insurance Funds that will administer the employment injuries program. The Institute is charged with important duties, which include determining, with the approval of the President of Colombia, the activities and regions in which social insurance will be first introduced; determining the types of firms located outside these regions where the programs may be made operative; deciding the order of risks, beginning with sickness and maternity, that are to be covered; determining the steps by which the other programs will be organized and extended to other regions; fixing contributions according to wage class and, for employment injuries, according to class of risks; and determining the number of contributions that will qualify the worker for benefit under each type of insurance. For the first 4 years, extraordinary powers with respect to these matters are given the President of the Republic.

The Institute is to be administered by a Board of Directors (Consejo Directivo) and a General Manager (Gerente General), the latter to be nominated by the President and elected by a two-thirds vote of the Board. The Board of Directors has 10 members: a delegate representing the President, the Minister of Labor (or his alternate), the National Director of Health (or his alternate), a representative of the National Academy of Medicine, a representative named by the pensioners, two representatives of the insured workers, to be chosen by workers' organizations, two representatives of employer groups, and a representative of the Colombian Medical Federation.

Finance.—The principal provisions concerning contributions are shown in the table. The Institute is to determine the actual amounts in accordance with the calculations of its actuarial department. The Government will pay not less than half the amounts contributed by employers and in addition will meet from 10 to 40 percent of the contributions due from small employers, that is, firms whose capital does not exceed 30,000 pesos; in the case of agricultural employers or undertakings engaged in mining precious minerals, the capital amount is raised to 125,000 pesos. The Government, according to another unusual provision, may also pay as much as one-half the contributions of the insured individual who has more than four dependents. An initial appropriation by the Government of 500,000 pesos will be used for preliminary and organizing expenses.

Investment policy is to be directed toward safety, income, and promotion of the aims of the Institute. The provision of medical facilities, workers' colonies and camps, low-cost housing, and loans to workers are mentioned as permitted uses of capital funds.

The method of collecting contributions is to be determined by the Institute. Employers will pay the full cost of contributions for apprentices and insured persons who receive wages in kind only. The Government will pay the full contributions (employer and employee) for persons in military service and an amount equal to the employer's contribution in the case of independent workers.

The principal provisions concerning benefits are shown in the table.

Costa Rica

Through a regulation approved by its Board of Directors on December 17, 1946, the Costa Rican Social Insurance Fund adopted a new program providing old-age, invalidity, and survivors insurance for a wide selection of employed persons. The regulations became effective January 1 of this year, although for private employees and certain public workers operations were not scheduled to begin until July 1. The program is another step in bringing to fulfillment significant provisions of title 2 of the 1943 law on social insurance, which states that the risks of sickness, maternity, invalidity, old age, and unemployment shall be covered, and that maternity benefits, family allowances, provisions for widows and orphans, and funeral grants shall also be made available. With old-age, invalidity, and survivors insurance added to the existing health and maternity programs, only unemployment and family allowances remain for future decision.

Scope.—The retirement and survivor system covers National Government workers, whether manual or white-collar, and the following employees of public or private institutions: managers and others exercising administrative functions; office employees, including those in professional offices and private schools, except porters, messengers, and cleaners; trade employees except counter clerks, collectors, porters, and messengers; and steamship masters, officers, and administrative personnel. There is also a broad authorization that the Fund may cover persons who because of the nature of their employment should, in the Fund's opinion, be insured.

Excluded from the long-term benefits are persons over 50 years of age, if they become insured for the first

[1] The peso equals approximately 57 cents in United States currency.

time after December 31, 1946; public employees who are contributing to their own retirement systems; and certain other groups, such as aliens under a brief contract of service, unsalaried members of the employer's

Table 1.—*Social security legislation in Colombia, Costa Rica, Dominican Republic, and Guatemala—selected provisions*

Old-age, invalidity, and survivors insurance	Sickness and maternity insurance		Employment injuries insurance	Contributions
	Medical	Cash		
Colombia: Law 90, December 26, 1946				
Old age and invalidity: Basic amount plus supplement according to number and amount of contributions paid beyond minimum. Reduced pensions, liberally determined, may be paid if minimum qualifying requirement is not met. Increases for wife over 60 or any age if an invalid and for children under 14 or any age if invalids. Retirement age, qualifying requirements, and other details to be fixed by regulations. Minimum pension: 15 pesos a month. *Survivors:* Widow and children under 14 or any age if invalids to be entitled to pension proportionate to insured's pension or to the invalidity pension to which he would have been entitled. Maximum: Pension of insured. If total widow's and children's pensions do not equal pension of insured, dependent parents may each receive up to 20 percent of insured's pensions. Marriage must have continued 1 year (3 if contracted after age 60) unless there are children or unless widow is pregnant.	Qualifying requirements and other details to be determined. *Sickness:* Medical, surgical, hospital, and pharmaceutical services up to 26 weeks. Dental care and preventive rest may be provided. No provision for dependents. *Maternity:* Obstetrical care for insured woman and for wife of insured man. Nursing benefit, in cash or kind, for child up to 6 months if mother cannot nurse it.	Qualifying requirements and other details to be determined. *Sickness:* Rate: ⅔ of wage. If hospitalized, no benefit to insured, but at least ½ benefit to dependents. Duration: 180 days. Waiting period: 3 days (paid for if illness lasts more than 6 days). *Death:* Funeral cost up to 1 month's wage. *Maternity:* Full basic wage for 4 weeks before and 4 weeks after delivery.	*Services:* Complete medical attention, including prosthetic and orthopedic appliances. *Cash:* Temporary disability: ⅔ of wage up to 180 days. Permanent total disability: life pension proportionate to wage and in no case less than nonoccupational invalidity benefit (exact rate to be determined). Increased if constant attendance required. Permanent partial disability: pension of ⅔ of amount by which earnings are reduced, payable for life or until recovery. In case of minor disability, lump-sum payment. Death: Funeral expenses. Survivors pensions: Widow: 25 percent of insured's salary (30 percent to invalid widow or widower). Child: 15 percent of insured's salary (25 percent if whole orphan). Parents: Same as under general system. Survivors' maximum: insured's benefit for permanent total disability.	Rates to be determined according to wage classes to be established. *Retirement, sickness, and maternity:* Employer and worker to contribute equal sums; Government to pay not less than half employer's rate, and 10–40 percent of contribution of small employers. Government may pay up to half the contribution of workers with more than 4 dependents. Special taxes are earmarked for Government contribution. *Employment injuries:* Employer to meet full cost at rate varying according to risk.
Costa Rica: Law 17, November 1, 1941 (first general law, initiating health and maternity programs), superseded by Law 17, October 22, 1943; Law 12, October 30, 1924, as amended (employment injuries); Regulation, December 17, 1946 (old-age, invalidity, and survivors)				
Old age: At age 65, after 180 monthly contributions, basic amount of 40 percent of average salary in last 10 years, plus 1.5 percent of average salary for each contribution year after first 3. Minimum, 40 colones monthly; maximum, 90 percent of salary up to 400 colones. *Invalidity:* After 36 monthly contributions, a pension computed as for old age (with same minimum and maximum), except that earnings are computed on last 3 years. *Lump sum:* If 12–36 contributions have been paid, insured's contributions may be refunded after 6-month waiting period. *Survivors:* Widow or disabled widower: 30 percent of pension paid or payable to insured. Child: 15 percent of insured's pension (30 percent if whole orphan). Others: In absence of widow or orphans, 15 percent to dependent mother or to father if over 65 or disabled. If none of above, dependent brother and/or sister under 16 each receives 10 percent. Qualifying requirement: 36 monthly contributions. Maximum amount: Benefit paid or payable to insured. Lump sum: If less than 36 contributions have been paid, survivors receive 150 percent of insured's annual invalidity benefit. Not paid if death occurs more than 6 months after last contribution.	*Sickness:* Insured worker, after 4 weekly contributions, is entitled to general and specialist services, hospital care, and medicines up to 52 weeks. In some regions, dependents are entitled to these services up to 26 weeks, after 8 contributions by insured. Insured to receive periodic examinations, and compulsory treatment for tuberculosis and venereal diseases. *Maternity:* For insured woman having 6 months' contributions in preceding 12 months: Medical, surgical, pharmaceutical, and hospital services at confinement. Also milk for insured mother who cannot nurse child.	*Sickness:* Rate: 50 percent of wage in last month. Duration: 25 weeks. Qualifying period: 4 weekly contributions. Waiting period: 4 days. *Death:* Funeral payment of from 75 to 200 colones, according to wage class, if 3 months' contributions have been paid in last 6 months. *Maternity:* Insured woman with 6 months' contributions in year preceding confinement receives 50 percent of earnings for 30 days before and 30 days after delivery.	(Separate system under law of 1924, as amended; administered by Banco Nacional de Seguros, exclusive insurer.) *Services:* Medical, surgical, pharmaceutical, and hospital care as necessary; orthopedic appliances up to value of 300 colones. *Cash:* Temporary disability: ½ of wage up to 52 weeks. Permanent total disability: Pension of ⅔ of wage, paid for 10 years. Permanent partial disability: Pension varying according to official schedule, paid for 5 years. Death: Funeral payment of 200 colones. Survivors pensions: Widow or invalid widower: 20 percent of insured's salary (30 percent if no dependents under 18 entitled). Dependents under 18: 15 percent for 1; 25 percent for 2; 35 percent for 3; 40 percent for 4 or more (increased if no widow's benefit). Parents and other adults also entitled. Survivors maximum: 60 percent of salary. Adult pensions payable for 10 years; children's, up to age 18.	*Sickness and maternity:* Worker: 2.5 percent of salary not in excess of 400 colones a month (3 percent if dependents are eligible for medical services). Employer: Same as worker. Government: 1 percent of salary, from specified taxes. *Old age, invalidity, and survivors:* Worker: 2.5 percent of salary not in excess of 400 colones a month. Employer: Same as worker. Government: Same as worker. *Employment injuries:* Employer pays full cost at rate varying according to risk.

family, and temporary workers employed less than 90 days in the year. Government employees can affiliate voluntarily in certain circumstances, and employees who cease to be compulsorily covered after having made 36 monthly contributions can continue under voluntary coverage.

Certain differences between coverage under this program and that under the sickness and maternity insurance program are evident. Both, to be sure, assess contributions on wages up to 400 colones.[2] The regulations on sickness and maternity insurance confine coverage to selected areas, whereas in the retirement and survivor program there is no such limitation. This difference appears to result from the character of the coverage for the long-term risks, which applies basically to white-collar workers, as shown in the exemptions already noted. The sickness and maternity system defines its coverage in terms of manual or white-collar workers receiving a wage or salary. The retirement and survivor program, while it applies to both wage and salary earners in public employment, is otherwise applicable mainly to nonmanual workers. Its maritime coverage is limited to administrative personnel.

Administration.—The Costa Rican Social Insurance Fund is organized under the law of 1943. Its Board of Directors (Junta Directiva) consists of five members and four substitutes, all named by the President of the Republic for a term of 5 years. Representation of employers and covered workers is guaranteed by the law. The Board of Directors names the Manager (Gerente), who is the Fund's chief administrative officer. Miguel

[2] A colon equals about 18 cents in United States currency.

Table 1.—*Social security legislation in Colombia, Costa Rica, Dominican Republic, and Guatemala—selected provisions*—Continued

Old-age, invalidity, and survivors insurance	Sickness and maternity insurance		Employment injuries insurance	Contributions
	Medical	Cash		
Dominican Republic: Law 1376, March 17, 1947; Law 352, June 17, 1932, as amended (employment injuries)				
Old age: At age 60, after 800 weekly contributions, basic amount of 40 percent of average wage or salary in last 4 years, plus 2 percent of this sum for each 100 weekly contributions after first 250. Reduced pension if more than 400 but less than 800 contributions. Maximum pension: 70 percent of earnings. Return of contributions paid by insured, plus 5 percent annual interest, if fewer than 400 contributions. Beneficiary must retire from covered employment. *Invalidity:* After 250 contributions, if earning capacity is reduced by ⅔ or more, a pension computed as for old age, except that earnings are computed on last 2 years. Reduced if less than 200 contributions have been paid. Both pensions are increased up to 5 percent (total) for dependents. *Survivors:* Capital payment of 33 percent of last average annual wage of pensioner or worker. If insured had not retired, he must have paid 20 contributions in year preceding death. Eligible are widow and children under 17, or parents and grandparents aged 60 or invalid. Also funeral grant (see under Sickness).	*Sickness:* Insured worker, after 1 contribution, is entitled to general, specialist, surgical, hospital, dental, and pharmaceutical benefits up to 27 weeks. Salaried employees may request cash reimbursement, according to scale, in place of care. *Maternity:* For insured woman or wife of insured man: Medical, hospital, and pharmaceutical services before, during, and after confinement. Insured woman must have paid 15 contributions in 10 months preceding confinement; man, 30 contributions in same period. Salaried employees have option noted under sickness. Child of insured woman is entitled to pediatric care for 8 months.	*Sickness:* Rate: 50 percent of wage; if hospitalized, no benefit to insured, but ½ benefit for dependents. Duration: 26 weeks. Qualifying period: 6 weekly contributions in preceding 9 months. Waiting period: 6 days. *Death:* Funeral payment of 30–80 pesos, according to wage class. *Maternity:* Insured woman with 30 contributions in 10 months preceding confinement receives 50 percent of earnings for 6 weeks before and 6 weeks after delivery. Also nursing benefit at rate of 10 percent of earnings for 8 months after delivery (may be given in kind).	(Separate system under law of 1932, as amended.) *Services:* Necessary medical services up to value, for purposes of liability, of 100 pesos. *Cash:* Temporary disability: ½ of wage up to 80 weeks (maximum 10 pesos a week). Permanent total disability: ½ of wage up to 100 weeks (maximum 10 pesos a week). Permanent partial disability: According to schedule in law, not to exceed total payments of 1,200 pesos. *Death:* Funeral expenses. Survivors pensions: ½ of wage up to 156 weeks (maximum, 2,000 pesos).	*General system:* Worker: 2.5 percent of salary, according to wage classes (persons in lowest wage group exempt). Employer: 5 percent of salary for workers in wage classes above lowest group. 7.5 percent of 6 pesos a week for apprentices, workers paid in kind only, and workers earning not more than 6 pesos a week (lowest wage class). Government: 1.5 percent of salaries. Also full cost of sickness and invalidity insurance of small farmers in frontier regions. *Employment injuries:* Employer pays full cost at rate varying according to risk.
Guatemala: Legislative Decree 295, October 30, 1946				
To be determined by regulations...	Qualifying requirements and other details to be determined. *Sickness:* Medical, surgical, therapeutic, and hospital services. May be extended to dependents. *Maternity:* Same as for sickness; care before and after childbirth to be included. Nursing benefit in kind or cash. Wife of insured may be included.	To be determined by regulations.	*Services:* Medical, surgical, therapeutic, and hospital services; orthopedic appliances. Details to be determined by regulations. *Cash:* Temporary disability: Compensation proportionate to wage or salary; rate to be determined. Permanent disability (total or partial): Pension; rate to be determined. Death: Funeral payment. Survivors pensions: Dependent relatives, especially widow and children, to be eligible. Rates to be determined.	To be determined by regulations. Employer to pay approximately 50 percent of total for pensions, sickness, and maternity; workers and Government to pay approximately 25 percent each. Higher-paid workers may pay more. Employer may be charged with worker's share for apprentices and persons paid in kind. Employer may be charged with full cost of employment injuries.

Brenes G. is Chairman of the Board of Directors, and M. F. Quesada is Manager of the Fund.

Benefits and contributions.—The main provisions concerning benefits and contributions are shown in the table. In addition, survivor benefits are governed by the provision that, when one survivor's rights are terminated by death or otherwise, the pensions of the others are correspondingly increased. A widow who remarries receives a final lump-sum payment equal to 2 years' benefits. The pensions of parents, brothers, or sisters may be terminated if their economic circumstances make the benefits unnecessary.

The regulation governing retirement and survivor benefits includes provision for preventive medical services and for rehabilitative measures in cases of tuberculosis, malaria, alcoholism, and other specified diseases. To finance these services the Fund is directed to budget such amounts as financial and actuarial considerations permit.

The Government contribution of 1 percent that was established under the law of 1943 was intended as a reserve for the old-age, invalidity, and survivors insurance program, which had not then been created. It will now be used to finance a retroactive measure benefiting Government workers. Contributors in the service of the State who were covered by health insurance in December 1946 are given credit for double the amount of contributions paid before January 1, 1947, up to a maximum of 72 months. This measure would appear to give Government workers up to 6 years' credit toward retirement or survivor benefits.

Another benefit based on the existing reserve is an increased pension for older Government workers who were insured in December 1946 under the sickness and maternity program. This supplement consists of an annual sum obtained by multiplying the years by which the worker is past age 45 by 1 percent of his average annual salary. A special regulation will be issued on this benefit.

Reserves.—The reserves are governed by the law of 1943. Safety and income are required, and within this condition preference is to be given to investments serving the purposes of the Social Insurance Fund, promoting social hygiene, and preventing disease. Loans to the national and local governments, as well as to other public bodies, are authorized up to a maximum of 20 percent of all investments.

Dominican Republic

This Caribbean Republic has recently supplemented its 15-year-old workmen's compensation program with a broad system of sickness, maternity, invalidity, and old-age insurance, with lump-sum payments to survivors. The basic act is Law No. 1376 on social insurance, dated March 17, 1947, and promulgated on March 28. It has been supplemented by Regulation No. 4264 of March 26, and by instructions to employers.

Employers were allowed 60 days from promulgation of the act to register themselves and their employees and begin paying employer contributions. Six months after promulgation—or 9 months if the President of the Republic finds the extra time to be necessary—sickness and maternity benefits will be available. At that time, collection of the workers' contributions will begin.

Scope.—Manual workers, salaried employees, and home workers are covered if they work for an employer. Domestic and service workers in industry and commerce are included. Independent small farmers in the frontier regions are to be insured against sickness and invalidity; their contributions will be paid by the Government. Independent workers, small businessmen, and workers who leave covered employment may participate in the program as voluntarily insured persons; their contribution rates will be higher than for those compulsorily insured. Domestic workers in private homes will be exempt from coverage for 3 years. Salaried employees with a weekly salary of more than 30 pesos[3] are excluded, as are persons who are already protected by existing civil-service, military, or police retirement programs. Persons above age 60 are insured for sickness and for employment injuries (under the act of 1932, as amended) by virtue of the employer's contributions.

[3] A peso equals $1 in United States currency.

Approximately 80,000 workers are expected to become affiliated with the Fund.

Administration.—The law creates the Dominican Social Insurance Fund (Caja Dominicana de Seguros Sociales) with juridical personality. The Fund is headed by a Board of Directors (Consejo Directivo) of nine members, of whom the Secretary of Health and Public Assistance, Dr. Luis F. Thomen, is Chairman ex-officio. The other members are an Under Secretary of Health and Public Assistance; the Under Secretary of Labor and National Economy; two representatives of the insured; two of employers; a professor of medicine of the University of Santo Domingo; and the Director-General (Director-Gerente). The Director-General, who is appointed by the President of the Republic, is in charge of administration. Dr. Edgardo Rebagliati is interim Director-General.

An advisory medical board composed of three physicians will make recommendations concerning medical facilities, promote economical and efficient administration of the medical benefits, and encourage preventive and other programs.

The main provisions respecting benefits and contributions are outlined in the table.

Reserves.—Social insurance reserves are to be invested in accordance with the principles of liquidity, income, safety, and social usefulness. Among the investments permitted are Government securities; the purchase or construction of rental housing in rural and urban districts, or loans for this purpose; formation of agricultural colonies and of rehabilitation and training centers; erection or purchase of hospitals and other health facilities and of administrative offices (up to a maximum of 20 percent of reserves); and loans to expand and equip Government hospitals serving insured persons (up to 10 percent of the reserves).

Actuarial reports are to be made every 5 years to determine the financial requirements of the system.

Registration of employers.—All employers except persons employing only domestic servants are required to register. Exemptions will be determined subsequently. Pending the organization of regional offices, the municipal treasuries carry out the registration. In the District of Santo Domingo, however, the main office of the Social Insurance Fund is the registration center.

Employers register their workers as well as themselves and are required to list all employed persons of every type. The workers must supply their employers with the necessary data concerning themselves. Employers are responsible for notifying the Fund of changes in personnel and in remuneration.

The 5-percent employer contribution is to be paid in the offices of the Bureau of Internal Revenue. That part of the weekly wage or salary that exceeds 30 pesos for manual and service workers, and 130 pesos for salaried employees, is not taxed.

Guatemala

The Guatemalan law was preceded by a preliminary report, *Bases de la Seguridad Social en Guatemala,* by Oscar Barahona Streber and J. Walter Dittel (1946) which proposed a system of social security in the country. Informational material based on this study is now being used to obtain public understanding and support of the programs. In an earlier study, Dr. César Meza had discussed the medical aspects of the problem in his *Guatemala y el Seguro Social Obligatorio* (1944).

The resulting act, the "Organic Law of the Guatemalan Social Security Institute," is basically an enabling measure, which sets up the administrative structure and states the principles to be followed in achieving a social security program adapted to the country.

Scope.—Ultimately, all residents engaged in producing goods or services will be covered under the social security program. The Guatemalan Institute of Social Security is given freedom of action to achieve this coverage gradually. Taking social and economic circumstances and other factors into consideration, it will begin with employed persons and, within this class, with workers who are grouped in areas of major economic activity. Urban workers are to be favored over rural workers for early coverage, as will the more literate and better-paid sectors of the population. The Institute is also to take into account facility of communication, existing medical resources, and ease of administration.

Administration.—The Guatemalan Institute of Social Security, established under article 1 of the law, is an autonomous institution with headquarters in Guatemala City. Its Board of Directors (Junta Directiva) is composed of six members and their alternates—one named by the President of the Republic after consultation with the Minister of Economy and Labor, one by the Monetary Board of the Bank of Guatemala, one by the Higher Council of the University of San Carlos, one by the Official College of Physicians and Surgeons, one by the employers' organizations, and one by the registered labor unions. Board members, who will meet in ordinary session each week, are to hold office for 6 years.

The Institute's executive organization is the Management (Gerencia), composed of a Manager (Gerente) of recognized technical capacity in social insurance matters and of such assistant managers as are necessary. The Manager and assistant managers are appointed by the Board of Directors. The first Chairman of the Board of Directors is Licenciado José Rolz Bennett; the first Manager is Oscar Barahona Streber.

Necessary regulations are to be formulated and issued by the Board of Directors and the Management. When these regulations refer to contributions, benefits, coverage, or penalties, they must be submitted to the Executive Power through the Ministry of Economy and Labor. An advisory body, the Technical Council (Consejo Técnico), is to report to the Manager. The Council is to include experts on actuarial, statistical, auditing, investment, and medico-hospital matters and may include persons who are not citizens of the country.

Finance.—The benefits and contributions, so far as they have been determined, appear in the table. An initial appropriation is provided to permit the organization of the Institute and the setting up of the programs first undertaken. In addition, the law authorizes the issuance of securities for a loan, internal or external, of 5 million quetzals[4] for the construction of hospitals, clinics, and other facilities, as well as for construction of necessary administrative quarters.

The financial program in general is to be organized in the simplest and most efficient manner, with attention to social objectives. The term "social budgeting" is used to express the general objective of the financial policy. Investment programs are to be developed in close collaboration with the Bank of Guatemala and with a view to their effect on national monetary and economic policies. Other insurance activities, public and private, are to be taken into consideration to ensure the maintenance of a complementary and mutually beneficial relationship among the various types of protection throughout the Nation.

Investments may be made in construction of hospitals and similar undertakings needed to serve insured persons. These are to be distinct from investments planned to meet financial obligations. For the latter, social objectives are secondary to safety, yield, and liquidity. Government and municipal bonds are permissible investments; the policy in this and other respects will be spelled out in more detail through regulations.

[4] A quetzal equals $1 in United States currency.